



For Immediate Release
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Runner: Many Online Sellers Don't Have to Collect Sales Tax

SACRAMENTO – George Runner today responded to confusion surrounding Cyber Monday sales and California's new online sales tax law ([AB 155](#)) by clarifying that not all retailers must collect tax.

"Some reports have suggested that all online sellers must now collect California sales tax," said Runner. "That's a gross overstatement that creates needless confusion for both taxpayers and consumers."

"Even under this new law most major out-of-state online retailers, like L.L. Bean and Overstock.com, are not required to collect sales tax as long as they don't have a presence in California," added Runner.

The new law, which became effective September 15, requires out-of-state sellers to collect tax if they make more than \$1 million in annual sales to California consumers and at least \$10,000 of those sales come through referrals from California-based affiliates.

Earlier this year the Board of Equalization mailed letters to more than 200 out-of-state retailers notifying them of the new law. To date, only a handful have responded by beginning to collect sales tax.

When out-of-state retailers do not collect tax, California consumers are still required to report and pay the equivalent of sales tax, known as "use tax." Consumers can pay directly to the BOE using [eReg](#) or pay on their California income tax returns with the option of using BOE's [Use Tax Lookup Table](#).

Elected in November 2010, George Runner represents more than nine million Californians as a member of the State Board of Equalization. For more information, visit www.boe.ca.gov/Runner.